NOTICE OF PUBLIC HEARING

D.T.E. 04-57

Petition of Bay State Gas Company for Recovery of Exogenous Costs Associate with Lost Base Revenue for the period September 1, 2002 through August 31, 2003.

On May 20,2004 Bay State Gas Company ("Bay State" or "Company") filed with the Department of Telecommunications and Energy ("Department") a petition for recovery of Exogenous Costs Associate with Lost Base Revenue for the period September 1, 2002 through August 31, 2003. The Company seeks recovery of costs associated with the Department's change in policy regarding the recovery of lost base revenue associated with Demand-Side Management Programs. The Department docketed the filing as D.T.E. 04-57.

The Department will conduct a public hearing on Wednesday, July 14, 2004, at 2:00 p.m., at the Department's offices, One South Station, 2nd Floor, Boston, Massachusetts 02110. Any person interested in commenting on the Company's petition may appear at the public hearing or file written comments by 5:00 p.m. on Monday, July 5, 2004 with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station - 2nd Floor, Boston, Massachusetts 02110.

Any person who desires to participate in the evidentiary phase of the proceeding concerning the above petition must file an original and two copies of a written petition for leave to intervene or to participate in the proceeding not later than the close of business (5:00 p.m.) on Wednesday, July 7, 2004, with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, 2nd Floor, Boston, MA. 02110, and one copy with the Company's attorney:

Patricia M. French, Esq. Bay State Gas Company 300 Friberg Parkway Westborough, MA 01581-5039 (508) 836-7000

A petition to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03, including a description of the manner in which the petitioner is substantially and specifically affected by this proceeding. Receipt by the Department -- not mailing -- constitutes filing and determines whether a petition has been timely filed. A late filed petition may be disallowed as untimely, unless good cause is shown under

220 C.M.R. § 1.01 (4). To be allowed, a petition under 220 C.M.R. § 1.03 (1) must satisfy the standing requirements of G.L. c. 30A, § 10.

In addition, written pleadings or comments also must be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us; or (2) on a 3.5" floppy diskette, IBM-compatible format. The text of the e-mail or the diskette label must specify: (1) an easily identifiable case caption; (2) docket number [D.T.E. 04-57]; (3) name of the person or company submitting the filing, and (4) a brief descriptive title of the document (e.g. comments or petition to intervene). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Word Perfect (naming the document with a ".wpd" suffix), in Microsoft Word, (naming the document with a ".doc" suffix) or as an Adobe PDF file (naming the document with a ".pdf" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, http://www.mass.gov/dpu.

A copy of the Company's petition and filing is available for inspection at the Department's offices at One South Station, 2nd Floor, Boston, Massachusetts, during business hours. Copies are also on file for public viewing at the offices of the Company, 300 Friberg Parkway, Westborough, Massachusetts. Any person desiring further information regarding the Companies' filing should contact Patricia M. French, Esquire, at (508) 836-7000.

By Order of the Department,

MARY L. COTTRELL, SECRETARY